Economic wheels must turn but how far to go until we feel the burn?

YOU would like the new iPhone 5. That's not even a question. You would. Why wouldn't you? It is new, probably faster, and definitely shinier than your old phone.

When the new model is released in Australia on September 21, vast numbers of people are expected to line up outside Apple stores. Some might even sleep out on the pavement the night before. Breakfast TV programs will dispatch journalists to breathlessly report the phenomenon.

But at what cost? Perhaps it is time for us to question our perpetual product cravings, and accept that "old", "used", and even "broken" are not dirty words.

Only 75 years ago we consumed half as much as we do today, and we were no less happy because of it. What (or who) is it that makes us crave new products and queue up outside the store hours, and even days, before their launch? Our past experiences of new products - in-your-face advertising, clever marketing techniques, word-of-mouth ploys, and so on - certainly play a role in our behaviour. But that may be just part of the picture. A glimpse at the bigger picture reveals that our product cravings are as essential to our economy's stability as jobs, exports and interest rates.

Global financial services company JPMorgan Chase recently estimated that the release of the iPhone 5 could add up to one-half of a percentage point to the gross domestic product growth rate of the struggling United States economy.

And that's just one product!

Today's consumer culture has been manufactured and composed in response to the very real need for ever higher levels of consumption of millions of products.

We now even have the concept of "planned obsolescence", where companies intentionally design products with a limited shelf life. This forces customers to buy the same (or similar) product again in the future. (You might consider it the technological equivalent of shampoo companies urging users to "rinse and repeat").

Some question the ethics of intentionally designing a product to be obsolete within just a few years - and long for the time when things were built to last - but the economic benefits are undeniable.
It's all part of what drives "infinite growth". And it's why a lot of companies spend as much on advertising as they do on actually creating new products.

Companies have created this perceived "need" in their customers. And, conveniently, they are right there to meet these needs through constant innovation.

Businesses cannot continue to offer the same unchanged product for very long if they wish to make a profit and continue to grow. Does that mean that our hunger for product innovations is bad? On one hand, it is the lifeblood of companies, our economy and society at large. The world as we know it might just collapse if we stopped designing, making, buying and selling snazzy new products. (At least, so we're told.)

On the other hand, what's at stake here might be nothing less than our happiness - a deep happiness that goes well beyond the short-lived thrill of bringing home a new phone, car or computer.

For most of us, our sense of prosperity does not depend on owning the latest gadgets. Neither does it depend on other success measures we tend to apply to our lives, such as outperforming a competitor, or having the smartest and fastest kid at school.

As contemporary Swiss-born philosopher Alain de Botton tells us, "wealth does not involve having many things". It is more about having what we long for.

Wealth is relative to desire. It is not absolute. Every time we seek something we cannot afford, we grow poorer, regardless of how much money we have. And every time we stop our hunt for the new and feel satisfied with what we have, we can be counted as rich.

In other words, we are rich in proportion to the things we can do without.

Political philosopher Jean-Jacques Rousseau knew this in the late 1700s - before cars, computers and credit cards - when he said: "Our souls rarely articulate what they must have in order to be satisfied, or when they do mumble something, their commands are likely to be misfounded or contradictory."

Perhaps it is time for us to distinguish between what we want, what companies tell us we need, and what we really need. And that's something that no shiny new product, not even one carrying a fruity logo, can do for you.

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